

What if my new employee does not have a Social Security number?

Have your new employee contact the local Social Security office to obtain a Social Security number.

Should our payroll office address or the employee's work site address be reported?

If the work site address is different from the payroll address, report both the relevant work site and the payroll address. The work site address provides a locate resource while the payroll address is used for sending an income withholding order.

Do I need to send a New Hire report on a newly hired individual who quits before the New Hire report is due?

Yes. Because the employer/employee relationship existed and wages were earned, a New Hire report must be submitted. Even though the employment period was short, the reported information may be the key to locating a noncustodial parent.

Where and how do I send the information?

New Hire reports should be sent to the SDNH in the State where the employee works. Federal law identifies three methods for submitting New Hire information: first class mail, magnetic tapes, or electronically. For employer convenience, States offer additional options such as fax, e-mail, phone, and web site transmissions. Your State New Hire contact can provide you with instructions on where and how to send New Hire information.

Federal employers report New Hire data directly to the NDNH.

Are there different reporting time frames for employers who submit New Hire reports electronically? What record layout should I use?

If you are an employer sending reports by magnetic

tape or electronically, two monthly transmissions must be made, not less than 12 or more than 16 days apart. You should contact the State where you submit your New Hire reports for all technical information regarding electronic reporting.

How will the New Hire data be safeguarded after it is submitted?

Security and privacy of New Hire data are important issues for all those involved in the implementation of this nationwide program. Federal law requires all States to establish safeguards for confidential information handled by the State agency. All State data is transmitted over secure and dedicated lines to the NDNH. Federal law also requires that the Secretary of DHHS establish and implement safeguards to protect the integrity and security of information in the NDNH and to restrict access to and use of the information to authorized persons and for authorized purposes.

Are there penalties for employers who do not report New Hires?

States have the option of imposing civil monetary penalties for noncompliance. Federal law mandates that if a State chooses to impose a penalty on employers for failure to report, the fine may not exceed \$25 per newly hired employee. If there is a conspiracy between the employer and employee not to report, that penalty may not exceed \$500 per newly hired employee. States may also impose non-monetary civil penalties under State law for noncompliance.

MULTISTATE EMPLOYER ISSUES

I am a multistate employer. Do I have to report to each State in which I have employees?

If you are a multistate employer, you have two reporting options. You may report newly hired employees to the States in which they are working,

or alternatively you may select one State where you have employees working to which to report all your New Hires. If you choose to report to one State, your New Hire reports must be submitted by magnetic tape or electronically. Also, you must notify the Secretary of DHHS, in writing, of the State you have chosen. Fax or mail your notification to:

U.S. Department of Health and Human Services
Office of Child Support Enforcement
Multistate Employer Registration
Box 509
Randallstown, MD 21133
(410) 277-9325 (fax)

You also can electronically submit a Multistate Employer Notification form via the Internet. The form can be found in the *FPLS New Hire Reporting* section of the OCSE web site: <http://www.acf.dhhs.gov/programs/cse>. This address will take you to OCSE's Information for Multistate Employers. At the heading

"Designating Your Reporting State," use your mouse to click on

- "Download Form" (to copy the form to your computer) or
- "Designate via the Internet" (to complete the form on line).

The NDNH will maintain a list of multistate employers and their designated reporting locations. This data will be made available to all States.

What if I have more questions?

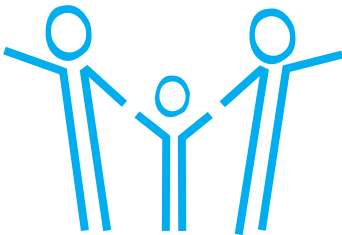
The State where you operate a business can provide you with complete information and instructions, as necessary, regarding all aspects of its New Hire program and your responsibilities as an employer.

If you have additional questions or concerns, please refer to the list of State contact telephone numbers found on the back page.



All of us in the child support enforcement community thank you for helping to build the strong partnership that exists today between employers and child support programs across the country. The real beneficiaries are, of course, the millions of children whose lives are made more secure because their parents are paying their child support through income withholding. The New Hire Reporting Program is essential to this effort and, together with income withholding, should result in millions of increased support dollars for children. Your cooperation makes a difference in children's lives, and we thank you again for your commitment.

Giving Hope and Support to America's Children



Office of Child Support Enforcement

Revised 6/00 (4)

STATE NEW HIRE CONTACT

The following telephone numbers are current as of June 2000:

Alabama	(334) 353-8491
Alaska	(907) 269-6685
Arizona	(888) 282-2064
Arkansas	(800) 259-2095
California	(916) 657-0529
Colorado	(800) 696-1468
Connecticut	(860) 263-6310
Delaware	(302) 577-4815
District of Columbia	(888) 689-6088
Florida	(888) 854-4791
Georgia	(888) 541-0469
Guam	(671) 475-3360
Hawaii	(888) 317-9081
Idaho	(800) 627-3880
Illinois	(800) 327-4473
Indiana	(800) 437-9136
Iowa	(515) 281-5331
Kansas	(888) 219-7801
Kentucky	(800) 817-2262
Louisiana	(888) 223-1461
Maine	(800) 437-9611* (207) 287-2886
Maryland	(888) 634-4737
Massachusetts	(800) 332-2733
Michigan	(800) 524-9846
Minnesota	(800) 672-4473
Mississippi	(800) 241-1330
Missouri	(800) 585-9234
Montana	(888) 866-0327
Nebraska	(888) 256-0293
Nevada	(888) 639-7241
New Hampshire	(800) 803-4485
New Jersey	(888) 624-6339
New Mexico	(888) 878-1607
New York	(800) 972-1233
North Carolina	(888) 514-4568
North Dakota	(800) 755-8530* (701) 328-3582
Ohio	(888) 872-1490
Oklahoma	(800) 317-3785
Oregon	(503) 378-2868
Pennsylvania	(888) 724-4737
Puerto Rico	(787) 767-1500, ext. 2001
Rhode Island	(888) 870-6461
South Carolina	(888) 454-5294
South Dakota	(888) 827-6078
Tennessee	(888) 715-2280
Texas	(888) 839-4473
Utah	(800) 222-2857* (801) 526-4361
Vermont	(800) 786-3214
Virgin Islands	(340) 776-3700, ext. 2038
Virginia	(800) 979-9014
Washington	(800) 562-0479
West Virginia	(800) 835-4683
Wisconsin	(888) 300-4473
Wyoming	(800) 970-9258

* An asterisk indicates that the toll-free number is only available in the state.

New Hire Reporting



ANSWERS TO YOUR QUESTIONS



U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement
June 2000

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, known as welfare reform, requires employers to report certain information on their newly hired employees to a designated State agency.

In response to the many questions employers have asked regarding their responsibilities for New Hire reporting, the Federal Office of Child Support Enforcement (OCSE) has compiled this brochure to help employers understand and comply with the law's requirements.

GENERAL ISSUES

What is New Hire reporting?

New Hire reporting is a process by which you, as an employer, report information on newly hired employees to a designated State agency shortly after the date of hire. As an employer, you play a key role in this important program by reporting all your newly hired employees to your State.

What is done with the New Hire information?

States match New Hire reports against their child support records to locate parents, establish an order, or enforce an existing order. In addition to matching within a State, States transmit the New Hire reports to the National Directory of New Hires (NDNH).

State agencies operating employment security (unemployment insurance) and worker's compensation programs have access to their State New Hire information to detect and prevent erroneous benefit payments.

In addition, each State can conduct matches between its own New Hire database and other State programs to prevent unlawul or erroneous receipt of public assistance, including welfare and Medicaid payments and food stamps.

Why have a National Directory of New Hires?

It is estimated that more than 30 percent of child support cases involve parents who do not live in the same State as their children. By matching this New Hire date with child support participant information at the national level, the Office of Child Support Enforcement assists States in locating parents who are living in other States. Upon receipt of New Hire information from other States, State child support enforcement agencies take the steps necessary to establish paternity, establish a child support order, or enforce an existing order.

Why was New Hire reporting part of the welfare reform legislation?

A major focus of PRWORA is parents' responsibility to support their children. It contains strict work requirements for custodial parents receiving public assistance and increases the effectiveness of the child support enforcement program by including the development of New Hire reporting programs in each State.

The U.S. Department of Health and Human Services (DHHS) has estimated that the New Hire Reporting Program will increase national child support collections by \$6.4 billion over the next 10 years.

Is the reporting process a burden to employer?

The majority of the information you submit is already collected when your employee completes a W-4 form. Although the reporting process is an additional requirement, the majority of employers currently participating in State-established programs report either "no" or a "minor" cost impact on their operations. To ease the process, States are working closely with their employers, offering them a variety of reporting methods.

Isn't this information available through quarterly wage reporting?

Quarterly wage data is often out of date before the child support office receives the information. There can be as much as a six-month lag between the time the data is submitted and when it is available to the child support office. With New Hire reporting, the data is available within a significantly shorter time period. Because the data is more current, noncustodial parents can be located more quickly, allowing child support orders to be established and/or enforced more quickly.

How does New Hire reporting benefit employers?

A potential benefit to employers is the reduction and prevention of fraudulent unemployment and workers' compensation payments. Timely receipt of New Hire data allows each State to cross match this data against its active workers' compensation and unemployment insurance claimant files—either stopping payments or recovering erroneous payments. During 1997, for example, Florida avoided more than \$300,000 in erroneous unemployment insurance payments.

DEFINITIONS

What is the definition of "employer" for New Hire reporting purposes?

Federal legislation states that an "employer" for New Hire reporting purposes is the same as for Federal income tax purposes (as defined by Section 3401(d) of the Internal Revenue Code of 1986) and includes any governmental entity or labor organization. At a minimum, in any case where an employer is required to have an employee complete a W-4 form, the employer must meet the New Hire reporting requirements.

What is the "date of hire"?

The "date of hire" is the first day services are performed for wages by an individual.

If I layoff and then re-hire an employee, or an employee returns after a leave of absence, do I need to send in another New Hire report?

If the employee returning to work is required to complete a new W-4 form, you should report the individual as a New Hire to the State Directory of New Hires (SDNH). If, however, the returning employee has not been formally terminated or removed from payroll records, there is no need to report that individual as a New Hire.

Do I need to submit a New Hire report for independent contractors and subcontractors performing services for me?

You must first determine whether there is an existing employer/employee relationship. If the work being performed is based on a contract rather than an employer/employee relationship, under Federal law you are not required to report.

In such a circumstance, the contractor is responsible for reporting his/her employees. However, States have the option to require the New Hire reporting of independent contractors. For example, Massachusetts and New Hampshire require independent contractors to be reported as New Hires. Contact your State New Hire contact for State-specific requirements.

As a temporary employment agency, must we report as a New Hire each individual placed by our agency?

If your agency is paying wages to the individual, you must submit a New Hire report. The individual needs to be reported only once except when there is a break in service from your agency such that a new W-4 form is required. If your agency simply refers individuals for employment and does not pay salaries, New Hire reports are not necessary. However, the employer who actually hires and pays the individual, whether on a part-time or full-time basis, will be required to report the New Hire information.

Are labor organizations and hiring halls required to report members under the New Hire reporting program?

Labor organizations and hiring halls must report their own employees, that is, individuals who work directly for the labor organization or hiring hall. As with a temporary employment agency, if the labor organization or hiring hall simply refers individuals for employment, a New Hire report does not need to be filed.

ADMINISTRATIVE

How soon must I submit a report after hiring someone?

Federal law mandates that New Hires be reported within 20 days of the date of hire. However, States are given the option of establishing reporting time frames that may be shorter than 20 days. You must adhere to the reporting time frame of the State to which you report. Be sure to check with your State New Hire contact to learn your State's requirements.

What form do I use to send in my New Hire reports?

Reports must be made either on the W-4 form or, at your option, an equivalent form developed by you. Some States have developed an alternate form for reporting, but its use is optional.

What information must be reported on each New Hire report?

Each New Hire report must contain the six data elements found on the W-4 form:

- Employee name, address, and Social Security number
- Employer name, address, and Federal Employer Identification number (FEIN)

Although most states require only these six basic data elements, some States require or request additional data. Your State should notify you of its required and optional data elements.